



12 CFR Part 246

[Regulation TT; Docket No. R-1683]

RIN 7100-AF63

Supervision and Regulation Assessments of Fees for Bank Holding Companies and Savings and Loan Holding Companies with Total Consolidated Assets of \$100 Billion or More

AGENCY: Board of Governors of the Federal Reserve System (Board).

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a final rule (final rule) to amend the Board's assessment rule, Regulation TT, pursuant to Section 318 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), to address amendments made by section 401 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The final rule raises the minimum threshold for being considered an assessed company from \$50 billion to \$100 billion in total consolidated assets for bank holding companies and savings and loan holding companies and adjusts the amount charged to assessed companies with total consolidated assets between \$100 billion and \$250 billion to reflect changes in supervisory and regulatory responsibilities resulting from EGRRCPA.

DATES: The final rule is effective [INSERT 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

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I. Introduction

On November 12, 2019, the Board published in the **Federal Register** a notice of proposed rulemaking (the proposed rule or proposal) seeking public comment on the Board's proposal to amend Regulation TT (12 CFR part 246) to reflect changes made by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) to Section 318 of the Dodd-Frank Act.¹ Section 318 of the Dodd-Frank Act,² as enacted, directed the Board to collect assessments, fees, or other charges (assessments), from certain large bank holding companies and savings and loan holding companies and nonbank financial companies designated by the Financial Stability

¹ 84 FR 60944 (November 12, 2019).

² Public Law 111-203, 124 Stat. 1376 (2010), section 318, codified at section 11 of the Federal Reserve Act, 12 U.S.C. 248(s).

Oversight Council (Council) for supervision by the Board (collectively, assessed companies), equal to the expenses the Board estimates are necessary or appropriate to carry out its supervision and regulation of those companies. The Board transfers the assessment proceeds to the U.S. Treasury's General Account.

EGRRCPA³ amended several provisions of the Dodd Frank Act, which resulted in various changes to the regulatory framework such as tailoring the application of certain prudential standards for large banking organizations,⁴ tailoring and revising the Board's company-run and supervisory stress test requirements, amending resolution planning requirements, and modifying Section 318 of the Dodd-Frank Act. Specifically, section 401 of EGRRCPA raised the minimum size threshold for bank holding companies and savings and loan holding companies to be considered assessed companies from \$50 billion to \$100 billion in total consolidated assets. In addition, section 401 of EGRRCPA directed the Board to adjust the amount charged to assessed companies with total consolidated assets between \$100 billion and \$250 billion to reflect any changes in supervisory and regulatory responsibilities resulting from EGRRCPA.⁵

The proposed rule was intended to address amendments to the Dodd-Frank Act made by EGRRCPA by: (a) revising the minimum threshold for assessed bank holding companies and savings and loan holding companies from \$50 billion or more in total consolidated assets to \$100 billion or more in total consolidated assets, (b) adjusting the amount charged to assessed

³ Public Law 115-174, 132 Stat. 1296 (2018).

⁴ EGRRCPA raised the \$50 billion minimum asset threshold for general application of enhanced prudential standards to bank holding companies with \$250 billion, and provided the Board with discretion to apply prudential standards to bank holding companies with total consolidated assets of between \$100 billion and \$250 billion.

⁵ In addition, EGRRCPA provided that any bank holding company, regardless of asset size, that has been identified as a global systemically important bank holding company under § 217.402 of title 12, Code of Federal Regulations, shall be considered a bank holding company with total consolidated assets equal to or greater than \$250 billion for purposes of the assessments standards and requirements. Public Law 115-174, 132 Stat. 1296 (2018), 401(f).

companies with between \$100 billion and \$250 billion in total consolidated assets to reflect changes in supervisory and regulatory responsibilities resulting from EGRRCPA, and (c) aligning assessments with the Board's application of prudential standards based on banking organizations' risk profiles.

The Board received one comment on the proposed rule from an individual supporting the proposal. The Board is now finalizing the proposed rule with one minor clarification regarding the use of the risk-based categories for tailoring standards applied to foreign bank holding companies, as described below.

II. Overview of the Assessment Framework

In August 2013, the Board adopted a final rule to implement section 318 of the Dodd-Frank Act, Regulation TT,⁶ which became effective on October 25, 2013. Regulation TT details how the Board: (a) determines whether a company is an assessed company for each assessment period,⁷ (b) estimates the total expenses that are necessary or appropriate to carry out the supervisory and regulatory responsibilities to be covered by the assessment, (c) determines the assessment amount for each assessed company, and (d) bills for and collects the assessment from the assessed companies (collectively, the assessment framework). Since 2013, the Board has annually provided notice of the supervision and regulation assessment on the Board's public website.⁸

III. Description of the Final Rule

A. Identification of Assessed Companies

EGRRCPA raised the asset threshold for bank holding companies and savings and loan holding companies to be considered assessed companies from \$50 billion or more in total

⁶ 78 FR 52402 (August 23, 2013), codified at 12 CFR part 246.

⁷ Assessment period means January 1 through December 31 of each calendar year.

⁸ <https://www.federalreserve.gov/supervisionreg/supervisory-assessment-fees.htm>.

consolidated assets to \$100 billion or more in total consolidated assets.⁹ The proposed rule would have revised the asset threshold for bank holding companies and savings and loan holding companies in the definition of an assessed company in Regulation TT to reflect this change. All nonbank financial companies designated by the Council for supervision by the Board would continue to be assessed companies. The Board would continue to make the determination of whether a company is an assessed company for each assessment period, based on information reported by the company on regulatory or other reports as determined by the Board.¹⁰ The final rule adopts the proposed change to the asset threshold for identification of assessed companies without change.

B. Apportioning the Assessment Basis to Assessed Companies

Section 401 of EGRRCPA directs the Board to adjust the amount charged to assessed companies with between \$100 billion and \$250 billion in total consolidated assets to reflect any changes in supervisory and regulatory responsibilities resulting from EGRRCPA. Consistent with section 401 of EGRRCPA, the Board issued a final rule that establishes four categories for the application of enhanced prudential standards based on certain indicators designed to measure the risk profile of a banking organization (the tailoring rule).¹¹ In addition, concurrently with the tailoring rule, the Board, with the Office of the Comptroller of the Currency (OCC) and the

⁹ In accordance with EGRRCPA, bank holding companies and savings and loan holding companies with total consolidated assets between \$50 billion and \$100 billion were not assessed for the 2018 and 2019 assessment periods.

¹⁰ All organizational structure and financial information that the Board would use for the purpose of determining whether a company is an assessed company, including information with respect to whether a company has control over a U.S. bank or savings association, must have been received by the Board on or before June 15 following that assessment period and must reflect events that were effective on or before December 31 of the assessment period.

¹¹ See Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies 84 FR 59032 (November 1, 2019); *see also* Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies, 83 FR 61408 (November 29, 2018); Prudential Standards for Large Foreign Banking Organizations; Revisions to Proposed Prudential Standards for Large Domestic Bank Holding Companies and Savings and Loan Holding Companies, 84 FR 21988 (May 15, 2019).

Federal Deposit Insurance Corporation (FDIC), separately finalized amendments to the capital and liquidity requirements of the agencies to introduce the same risk-based categories for tailoring standards.¹² The Board and the FDIC also finalized changes to the resolution planning requirements (the resolution planning rule) to align with the tailoring rule's risk-based categories and account for changes to the enhanced prudential standards requirements made by EGRRCPA.¹³ Collectively, these tailoring, capital and liquidity, and resolution planning requirements result in changes to the Board's supervisory and regulatory responsibilities with respect to certain companies, including modification of enhanced prudential standards relating to capital, stress testing, and resolution planning.

The tailoring rule established the following risk-based categories for the application of prudential standards:

- Category I:
 - U.S. global systemically important bank holding companies (U.S. GSIBs).
- Category II:
 - U.S. firms that are not subject to Category I standards with
 - (a) \$700 billion or more in average total consolidated assets, or
 - (b) \$100 billion or more in average total consolidated assets that have \$75 billion or more in average cross-jurisdictional activity, and
 - Foreign banking organizations with (a) \$700 billion or more in average combined U.S. assets¹⁴, or (b) \$100 billion or more in average combined

¹² See Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements 84 FR 59230 (November 1, 2019); *see also* Proposed Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements, 83 FR 66024 (December 21, 2018).

¹³ See Resolution Plans Required 84 FR 59194 (November 1, 2019); *see also* Resolution Plans Required 84 FR 21600 (May 14, 2019).

¹⁴ Combined U.S. assets means the sum of the consolidated assets of each top-tier U.S. subsidiary of the foreign banking organization (excluding any section 2(h)(2) company as defined in section 2(h)(2) of the Bank Holding Company Act (12 U.S.C. 1841(h)(2)), if

U.S. assets that have \$75 billion or more in average cross-jurisdictional activity measured based on the foreign banking organization's combined U.S. operations.¹⁵

- Category III:
 - o U.S. firms that are not subject to Category I or Category II standards with
 - (a) \$250 billion or more in average total consolidated assets, or
 - (b) \$100 billion or more in average total consolidated assets that have \$75 billion or more in any of the following risk-based indicators: average total nonbank assets, average weighted short-term wholesale funding, or average off-balance sheet exposure, and
 - o Foreign banking organizations that are not subject to Category II standards with
 - (a) \$250 billion or more in average combined U.S. assets, or
 - (b) \$100 billion or more in average combined U.S. assets that have \$75 billion or more in any of the following risk-based indicators measured based on the combined U.S. operations: average total nonbank assets, average weighted short-term wholesale funding, or average off-balance sheet exposure.

applicable) and the total assets of each U.S. branch and U.S. agency of the foreign banking organization, as reported by the foreign banking organization on the FR Y-7Q.

¹⁵ The combined U.S. operations of a foreign banking organization include any U.S. subsidiaries (including any U.S. intermediate holding company), U.S. branches, and U.S. agencies. In addition, for a foreign banking organization that is not required to form a U.S. intermediate holding company, combined U.S. operations refer to its U.S. branch and agency network and the U.S. subsidiaries of the foreign banking organization (excluding any section 2(h)(2) company as defined in section 2(h)(2) of the Bank Holding Company Act (12 U.S.C. 1841(h)(2), if applicable) and any subsidiaries of such U.S. subsidiaries.

- Category IV:
 - o U.S. firms with \$100 billion or more in average total consolidated assets that do not meet any of the thresholds specified for Categories I through III, and
 - o Foreign banking organizations with \$100 billion or more in average combined U.S. assets that do not meet any of the thresholds specified for Categories II or III.¹⁶

The proposed rule would have modified Regulation TT to incorporate the tailoring rule's risk-based categories for purposes of adjusting the amount charged to assessed companies with between \$100 billion and \$250 billion in total consolidated assets. This would align the Board's assessment rule with its enhanced prudential standards framework for large banking organizations and EGRRCPA-related changes to the Board's supervision and regulation of those companies. As described in the proposed rule, because these categories were designed to tailor supervisory and regulatory requirements to the level of risk associated with specific firms, the categories provide a consistent basis for adjusting the assessments for assessed companies with between \$100 billion and \$250 billion in total consolidated assets.¹⁷

The proposal provided that assessed companies subject to Category IV standards pursuant to the tailoring rule (Category IV firms), would receive an adjusted assessment rate, to reflect the impact of tailoring and other EGRRCPA-related changes to the supervision and regulation of these companies. In addition, the proposal provided that any assessed companies

¹⁶ See Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies 84 FR 59032 (November 1, 2019).

¹⁷ EGRRCPA acknowledges that eligibility for the adjustment can be affected by the risk-based category of supervision and regulation of an assessed company. Under section 401(f) of EGRRCPA, all U.S. GSIBs (i.e., companies subject to Category I standards), regardless of asset size, are considered to have total consolidated assets equal to or greater than \$250 billion for purposes of the assessments standards and requirements. Public Law 115-174, 132 Stat. 1296 (2018), section 401(f).

that are not subject to enhanced prudential standards outlined for firms subject to Categories I through IV standards pursuant to the tailoring rule (“other” firms),¹⁸ would also receive the adjusted assessment rate because the Board does not incur the supervisory and regulatory costs associated with such standards for those firms. Under the proposal, and consistent with EGRRCPA and the requirements in the tailoring rule, firms with between \$100 and \$250 billion in total consolidated assets that are subject to Category I, II, or III standards would not be eligible for the adjusted assessment rate.

Consistent with Regulation TT’s methodology for determining whether a company is an assessed company, the determination of whether a company is eligible for the adjusted assessment rate would be based on the assessed company’s status with respect to the four categories of prudential standards in the tailoring rule as of December 31 of the assessment period. The final rule adopts the proposed methodology for determining the eligibility for the adjusted assessment rate.

For foreign banking organizations, size and risk-based indicators are calculated separately for combined U.S. operations and intermediate holding companies (if applicable).¹⁹ As such, foreign banking organizations with intermediate holding companies may be subject to different categories of standards at the intermediate holding company and the combined U.S. operations levels of the organization. In light of this distinction, the Board is clarifying that foreign banking organizations that are assessed companies should look to the categorization of the combined U.S. operations of the foreign banking organization, as determined by the Board’s tailoring framework,²⁰ to determine eligibility for the adjusted assessment rate. With this minor clarification, the Board is adopting the rule as proposed without change.

¹⁸ For example, insurance savings and loan holding companies and foreign bank holding companies with a small U.S. presence.

¹⁹ 12 CFR 252.5(a)(2)-(3).

²⁰ 12 CFR part 252.

C. *Assessment Rate*

The tailoring rule and resolution planning rule modify the application of certain enhanced prudential standards and supervisory and regulatory programs for Category IV firms relating to capital stress testing; risk management; liquidity risk management, stress testing, and buffer requirements; single-counterparty credit limits; and resolution planning programs.²¹ In addition, the Board has issued a proposal that would align capital planning requirements with the two-year supervisory stress testing cycle and provide greater flexibility for Category IV firms.²²

As described in the proposed rule, as a result of these changes, the Board expects the share of its expenses incurred in the supervision and regulation of Category IV and “other” firms to decline relative to the share of expenses incurred in the supervision and regulation of assessed companies subject to Categories I, II, and III standards (Category I, II, and III firms).²³ The expenses associated with these programs for Category IV and “other” firms were estimated to be approximately 10 percent of the Board’s total estimated expenses for assessed companies in 2018.²⁴ Accordingly, the proposal provided that the Board adjust the amount charged to assessed companies with total consolidated assets between \$100 billion and \$250 billion to reflect EGRRCPA-related changes by reducing Category IV and “other” firms’ share of the net

²¹ See Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies 84 FR 59032 (November 1, 2019); Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements 84 FR 59230 (November 1, 2019); Resolution Plans Required 84 FR 59194 (November 1, 2019).

²² See Amendments to Capital Planning and Stress Testing Requirements for Large Bank Holding Companies, Intermediate Holding Companies and Savings and Loan Holding Companies 85 FR 63222 (October 7, 2020). The Board previously provided relief to less-complex firms from stress testing requirements and CCAR by effectively moving the firms to an extended stress test cycle for 2019. See Press Release, Federal Reserve Board releases scenarios for 2019 Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act stress test exercises, dated February 5, 2019, available at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20190205b.htm>.

²³ Category I, II, and III firms that are assessed companies would continue to bear their share of the assessable cost basis.

²⁴ The Board and Reserve Banks generally do not account for expenses on a firm-by-firm or program-by-program basis; therefore, the share of EGRRCPA-related program costs represents an estimate based on analysis of system-wide accounting data and time surveys.

assessment basis²⁵ by 10 percent. The Board provided this estimate of costs based, in part, on proposed modifications to the supervisory and regulatory framework for large banking organizations. To the extent that the modifications of the relevant supervisory and regulatory programs differ from the basis for the underlying estimate of costs, the final rule may be revised to reflect these changes.

Under the proposal the assessment rate for Category IV and “other” firms would have been determined according to the following formula, where the estimated share of total program costs attributable to EGRRCPA-related supervisory and regulatory changes for Category IV and “other” firms is represented by the variable S :

$$\frac{\text{Assessment rate for Category IV and “other” firms} = \frac{[(\text{Net assessment basis} \times \text{Category IV and “other” firms’ share of the total assessable assets of all assessed companies}) \times (1 - S)]}{\text{Category IV firms and “other” firms’ total assessable assets}}}{1}$$

Thus, under the proposal, the assessment rate for Category IV and “other” firms would have been determined by multiplying the net assessment basis by these firms’ share of the total assessable assets of all assessed companies multiplied by 0.9 (i.e., $1 - S$, or $1 - 0.1$), the product of which is then divided by the total assessable assets of Category IV and “other” firms.

In the proposal, the assessment rate for Category I, II, and III firms would have been determined according to the following formula:

$$\frac{\text{Assessment rate for Category I, II and III firms} = \frac{[(\text{Net assessment basis} \times \text{Category I, II, and III firms’ share of the total assessable assets of all assessed companies}) + (\text{Net assessment basis} \times \text{Category IV and “other” firms’ share of total assessable assets} \times S)]}{\text{Category I, II, and III firms’ total assessable assets}}}{1}$$

In the proposal, the assessment rate for Category I, II, and III firms would have been determined by multiplying the net assessment basis by these firms’ share of the total assessable

²⁵ The assessment basis is the average of the amount of total expenses the Board estimates is necessary or appropriate to carry out the supervisory and regulatory responsibilities for assessed companies. 12 CFR 246.4(d). The net assessment basis is the assessment basis net of the total \$50,000 base amount charged to all assessed companies (i.e., net assessment basis = assessment basis – (# of assessed companies x \$50,000)).

assets of all assessed companies, plus the sum of the net assessment basis multiplied by the Category IV and “other” firms share of the total assessable assets multiplied by 0.1 (i.e., S), the sum of which is then divided by the total assessable assets of Category I, II, and III firms.

The final rule adopts the proposed methodology for calculating the applicable assessment rate. As described above, the EGRRCPA-related supervisory and regulatory changes that are the basis for the estimated reduction in program costs for Category IV and “other” firms began occurring in 2020. Accordingly, the proposal provided that the revised assessment rates would apply beginning with the 2020 assessment period. Consistent with the existing assessment framework, assessed companies would receive a notice of assessment for the 2020 assessment period, using the revised assessment rates, no later than June 30, 2021. Assessed companies would continue to have 30 calendar days from June 30 to appeal the Board’s determination (a) that the company is an assessed company or (b) of the company’s total assessable assets. The final rule adopts the proposed effectiveness date for the revised assessment rates.

IV. Impact Analysis

Using data from the 2018 assessment period, the change in the minimum threshold of total consolidated assets from \$50 billion to \$100 billion decreased the number of assessed companies from 64 to 56. These companies would have been charged an aggregate amount of \$10.1 million, or approximately 1.7 percent of the estimated assessment basis.

As of December 31, 2018, firms with between \$100 billion and \$250 billion in total consolidated assets accounted for 6.8 percent of total consolidated assets for assessed companies. In 2018, an assessed Category IV firm with \$100 billion in total consolidated assets would have been charged \$3.1 million. Under the final rule, an assessed Category IV firm with \$100 billion in total consolidated assets would be charged \$2.9 million.

V. Administrative Law Matters

A. Paperwork Reduction Act Analysis

Regulation TT contains a “collection of information” within the meaning of the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501-3521) that would be affected by the final rule. Specifically, under the final rule, bank holding companies and savings and loan holding companies with total consolidated assets of between \$50 billion and \$100 billion would no longer be assessed companies, and therefore would no longer be respondents for the reporting provision located at section 246.5(b) of Regulation TT, which permits assessed companies to submit a written statement to appeal the Board’s determination that the company is an assessed company or its determination of the company’s total assessable assets.

In accordance with the requirements of the PRA, the Board may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. Under the authority delegated to the Board by OMB, the Board recently approved a revision to the collection of information pursuant to Regulation TT to account for the changes described above (OMB Control Number 7100-0369).²⁶

B. Regulatory Flexibility Act Analysis

An initial regulatory flexibility analysis (IRFA) was included in the proposal in accordance with section 603(a) of the Regulatory Flexibility Act (RFA), 5 U.S.C. 601 et seq.. In the IRFA, the Board requested comment on the effect of the proposed rule on small entities and on any significant alternatives that would reduce the regulatory burden on small entities. The Board did not receive any comments on the IRFA. The RFA requires an agency to prepare a final regulatory flexibility analysis unless the agency certifies that a rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. Based on its

²⁶ 84 FR 39847 (August 12, 2019).

analysis, and for the reasons stated below, the Board certifies that the final rule will not have a significant economic impact on a substantial number of small entities.²⁷ Under regulations issued by the Small Business Administration (SBA), a small entity includes a bank, bank holding company, or savings and loan holding company with assets of \$600 million or less and trust companies with total assets of \$41.5 million or less.²⁸

This final rule is being issued because section 401 of EGRRCPA raised the minimum threshold for being considered an assessed holding company from \$50 billion to \$100 billion in total consolidated assets and directed the Board to adjust the amount charged to assessed companies with between \$100 billion and \$250 billion in total consolidated assets. As discussed in the Supplementary Information section, the objective of the final rule is to update Regulation TT to reflect the new minimum threshold for being considered an assessed company and to revise the assessment rate calculation to account for EGRRCPA-related changes in the Board's supervisory and regulatory responsibilities. The Board is required by section 318 of the Dodd-Frank Act to collect assessments equal to the total expenses the Board estimates are necessary or appropriate to carry out supervisory and regulatory responsibilities with respect to assessed companies. Section 401 of EGRRCPA directs to Board to revise the assessment framework by raising the minimum threshold for being considered an assessed holding company to \$100 billion in total consolidated assets and adjusting the amount charged to assessed companies with between \$100 billion and \$250 billion in total consolidated assets.

The final rule applies to assessed companies, which includes bank holding companies and savings and loan holding companies with \$100 billion or more in total consolidated assets, foreign banking organizations that are bank holding companies and savings and loan holding companies with \$100 billion or more in total global consolidated assets, and nonbank financial companies that the Council has determined must be supervised by the Board. These companies

²⁷ 5 U.S.C. 605(b).

²⁸ See 13 CFR 121.201; 84 FR 34261 (July 18, 2019).

are well above the \$600 million asset threshold at which a banking organization is considered a “small entity” under SBA regulations.²⁹ For this reason, the Board certifies that the final rule will not have a significant economic impact on a substantial number of small entities.

C. Use of Plain Language

Section 722 of the Gramm-Leach-Bliley Act (Pub. L. No. 106-102, 113 Stat. 1338, 1471, 12 U.S.C. 4809) requires the Federal banking agencies to use plain language in all proposed and final rules published after January 1, 2000. The Board sought to present the proposed rule in a simple and straightforward manner and did not receive any comments on the use of plain language.

List of Subjects in 12 CFR Part 246

Administrative practice and procedure, Banks, banking, Holding companies, Reporting and recordkeeping requirements, Savings associations.

Authority and Issuance

For the reasons set forth in the preamble, the Board amends 12 CFR part 246 as follows:

PART 246—SUPERVISION AND REGULATION ASSESSMENTS OF FEES (REGULATION TT)

1. The authority citation for Part 246 is revised to read as follows:

AUTHORITY: Pub. L. 111-203, 124 Stat. 1376, 1526 (2010), Pub. L. No. 115-174, 132 Stat. 1296 (2018), and section 11(s) of the Federal Reserve Act (12 U.S.C. 248(s)).

2. In § 246.1, paragraphs (a) through (c) are revised to read as follows:

§ 246.1 Authority, purpose and scope.

(a) *Authority.* This part (Regulation TT) is issued by the Board of Governors of the Federal Reserve System (Board) under section 318 of Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) (Pub. L. No. 111-203, 124 Stat. 1376, 1423-

²⁹ It is unlikely that nonbank financial companies designated by the Council would have less than \$600 million in consolidated assets.

32, 12 U.S.C. 5365 and 5366), section 401 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) (Pub. L. No. 115-174, 132 Stat. 1296), and section 11(s) of the Federal Reserve Act (12 U.S.C. 248(s)).

(b) *Scope*. This part applies to:

- (1) Any bank holding company having total consolidated assets of \$100 billion or more, as defined in this section;
- (2) Any savings and loan holding company having total consolidated assets of \$100 billion or more, as defined below; and
- (3) Any nonbank financial company supervised by the Board, as defined §246.2..

(c) *Purpose*. This part implements provisions of section 318 of the Dodd-Frank Act and section 401 of EGRRCPA that direct the Board to collect assessments, fees, or other charges from companies identified in subsection (b) that are equal to the total expenses the Board estimates are necessary or appropriate to carry out the supervisory and regulatory responsibilities of the Board with respect to these assessed companies and to adjust the amount charged to assessed companies with total consolidated assets between \$100 billion and \$250 billion to reflect any changes in supervisory and regulatory responsibilities resulting from EGRRCPA.

* * * * *

3. Section 246.2 is revised by adding paragraphs (n)through (p) to read as follows:

§ 246.2 Definitions.

* * * * *

(n) *Category I, II, and III firms* are assessed companies subject to Category I, II, or III standards as defined and determined under 12 CFR parts 238 and 252 as of December 31 of the assessment period.

(o) *Category IV firms* are assessed companies subject to Category IV standards as defined and determined under 12 CFR parts 238 and 252 as of December 31 of the assessment period.

(p) “*Other*” firms are assessed companies not subject to the Category I, II, III, or IV standards as defined and determined under 12 CFR parts 238 and 252 as of December 31 of the assessment period.

4. Section 246.3 is revised to read as follows:

§ 246.3. Assessed companies.

An assessed company is any company that:

(a) Is a top-tier company that, on December 31 of the assessment period:

(1) Is a bank holding company, other than a foreign bank holding company, with \$100 billion or more in total consolidated assets, as determined based on the average of the bank holding company’s total consolidated assets reported for the assessment period on the Federal Reserve’s Form FR Y–9C (“FR Y–9C”),

(2)(i) Is a savings and loan holding company, other than a foreign savings and loan holding company, with \$100 billion or more in total consolidated assets, as determined, except as provided in paragraph (a)(2)(ii) of this section, based on the average of the savings and loan holding company’s total consolidated assets as reported for the assessment period on the FR Y–9C or on the Quarterly Savings and Loan Holding Company Report (FR 2320), as applicable.

(ii) If a company does not calculate its total consolidated assets under GAAP for any regulatory purpose (including compliance with applicable securities laws), the company may request that the Board permit the company to file a quarterly estimate of its total consolidated assets. The Board may, in its discretion and subject to Board review and adjustment, permit the company to provide estimated total consolidated assets on a quarterly basis. For purposes of this part, the company's total consolidated assets will be the average of the estimated total consolidated assets provided for the assessment period.

(b) Is a top-tier foreign bank holding company on December 31 of the assessment period, with \$100 billion or more in total consolidated assets, as determined based on the average of the foreign bank holding company’s total consolidated assets reported for the assessment period on

the Federal Reserve’s Form FR Y–7Q (“FR Y–7Q”), provided, however, that if any such company has filed only one FR Y-7Q during the assessment period, the Board shall use an average of the foreign bank holding company’s total consolidated assets reported on that FR Y–7Q and on the FR Y–7Q for the corresponding period in the year prior to the assessment period.

(c) Is a top-tier foreign savings and loan holding company on December 31 of the assessment period, with \$100 billion or more in total consolidated assets, as determined based on the average of the foreign savings and loan holding company’s total consolidated assets reported for the assessment period on the reporting forms applicable during the assessment period, provided, however, that if any such company has filed only one reporting form during the assessment period, the Board shall use an average of the foreign savings and loan holding company’s total consolidated assets reported on that reporting form and on the reporting form for the corresponding period in the year prior to the assessment period, or

(d) Is a nonbank financial company supervised by the Board. 5. Section 246.4 is amended by revising paragraph (c)(1) and by adding new paragraphs (d)(3) and (4) to read as follows:

§ 246.4 **Assessments.**

* * * * *

(c) *Assessment rates.* Assessment rates means, with regard to a given assessment period, the two rates published by the Board for the calculation of assessments for Category IV and “other” firms and for Category I, II, and III firms.

(1)(i) The assessment rate for Category IV and “other” firms will be calculated according to this formula:

$$\text{Assessment rate} = \frac{[(\text{Net Assessment Basis} \times \text{Category IV and “other” firms’ share of total assessable assets of all assessed companies}) \times (1 - S)]}{\text{Category IV and “other” firms’ total assessable assets}}$$

(ii) The assessment rate for Category I, II, and III firms will be calculated according to this

formula:

$$\text{Assessment rate} = \frac{[(\text{Net Assessment Basis} \times \text{Category I, II, and III firms' share of total assessable assets of all assessed companies}) + (\text{Net Assessment Basis} \times \text{Category IV and "other" firms' share of total assessable assets} \times S)]}{\text{Category I, II, and III firms' total assessable assets}}$$

* * *

(d) * * *

(3) Net Assessment Basis is the assessment basis, as defined by paragraph (d)(2), net of the total \$50,000 base amount charged to all assessed companies. *Net Assessment Basis* = assessment basis – (number of assessed companies x \$50,000).

(4) The variable *S* represents the estimated share of total costs attributable to changes in supervisory and regulatory responsibilities resulting from EGRRCPA for Category IV and “other” firms. *S* = 0.1 (10 percent).

* * *

By order of the Board of Governors of the Federal Reserve System.

Ann Misback,
Secretary of the Board.

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